

Message

From: Anna Palmer Jake Sherman Daniel Lippman [politicoplaybook@politico.com]
Sent: 4/4/2018 10:39:19 AM
To: Block, Molly [block.molly@epa.gov]
Subject: POLITICO Playbook, presented by Postmates: China strikes back with 25-percent tariff on 106 U.S. products ... Markets nose dive ... And political climate looks scary

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POLITICO PLAYBOOK

Today's POLITICO Playbook presented by Postmates

By ANNA PALMER (anna@politico.com; [@apalmerdc](#)), JAKE SHERMAN (sherman@politico.com; [@JakeSherman](#)) and DANIEL LIPPMAN (daniel@politico.com; [@dlippman](#))

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DRIVING THE DAY

TRADE WAR? ... BUCKLE UP, WALL STREET ... EARLY MORNING BOMBSHELL ...

BLOOMBERG: "China Hits Soybeans, Aircraft in Counter-Punch to Trump Tariffs":

"China said it would levy an additional 25 percent tariff on imports of 106 U.S. products including soybeans, automobiles, chemicals and aircraft, in response to proposed American duties on its high-tech goods.

"Matching the scale of proposed U.S. tariffs announced the previous day, the Ministry of Commerce in Beijing said the charges will apply to around \$50 billion of U.S. imports. Officials signaled that the implementation of the proposed measures will depend on when the U.S. applies its own after a period of public consultation. ...

"Beijing's proposed targets strike at the core of commercial relations between the two countries, and at some of the most politically sensitive goods in core Trump constituencies."

<https://bloom.bg/2q4DfxS>

KEY QUOTE FROM THE BLOOMBERG STORY: "'China's response was tougher than what the market was expecting -- investors didn't foresee the country levying additional tariffs on

sensitive and important products such as soybeans and airplanes,' said Gao Qi, Singapore-based strategist at Scotiabank."

TWO POTENTIAL POLITICAL IMPACTS ...

-- **BLOOMBERG'S JOSHUA GREEN (@JoshuaGreen)**: "New Chinese tariffs this morning could have big effect on U.S. midterms. Per Bloomberg data, biggest soybean producers include: Ohio, Iowa, Missouri, Indiana."

-- **WITHER TAX REFORM**: This could completely dwarf the good news Republicans have celebrated from tax reform and screw up their strategy to use it as the GOP's main selling point in the midterms.

A SMART WALL STREET MAN NOTES TO US: The U.S. is trying to stop China's well-laid economic growth plans, which it almost certainly won't be able to do. And what happens if China dumps U.S. stocks, or stops buying U.S. debt?

CNBC'S BRIAN SULLIVAN noted near the top of the 5 a.m. hour that these are "proposed tariffs" by the U.S. and they might be a play to bring parties to the table. ... **KAYLA TAUSCHE** noted just before 6:15 that the U.S. and China have six weeks to work this out before tariffs could be put into place. Andrew Ross Sorkin asked her how this might be solved, and Kayla said perhaps by negotiations through official WTO channels, or some sort of olive branch by China to open up financial markets, or a promise to buy more semiconductors from the U.S. Previous olive branches agreed to by Commerce and Treasury have been rejected by Trump, Kayla noted.

IN MOST NEGOTIATIONS, however, both sides can walk away and say they won. From what we've seen so far of President Trump, this is tough for him. For example, Congress just cut a huge budget deal and he was unable or unwilling to accept the fact that Democrats got items in the deal in exchange for the policies and spending boosts he wanted.

DOW FUTURES were down on the news, and looking like they could wipe out yesterday's gains.

SOYBEANS, via the FT: "The US exported almost \$14bn of soybeans to China last year, over a tenth of total exports to the Asian country. The impact on Chinese imports will be diminished for the next six months, when China seasonally imports them mostly from South America.

"But if prolonged into the autumn, the levies are also likely to hurt Chinese households that depend on the yellow bean for cooking oil and other basic foods. The price of US corn

and soybeans tumbled on the futures market in response to the news. Soyabean futures dropped 3 per cent while corn for May delivery tumbled 3.1 per cent, according to Reuters data tracking activity on the Chicago Board of Trade." <https://on.ft.com/2JdJDMd>

WHAT TO WATCH FOR: Will Trump say something conciliatory to calm markets? Look for him to say a deal is possible, or that the parties should -- and might -- come to the table to talk. He's said that before.

ANOTHER IMPORTANT DYNAMIC: THE PRESIDENT has nothing on his schedule besides a dinner tonight. Expect cable news to crucify the administration today on this news. Trump could be watching TV splashed with red arrows pointed downward, as the markets tumble on this up-the-ante move by China.

SPOTTED: ALEX VAN DER ZWAAN, who was sentenced Tuesday morning to 30 days in jail and a \$20,000 fine, hanging out with friends after his hearing at the Willard Hotel's Round Robin lounge - *pic* <http://bit.ly/2uK6w6B>

BATTLE FOR THE HOUSE ... FIRST IN PLAYBOOK ... THE CONGRESSIONAL LEADERSHIP FUND, the House GOP super PAC, says it raised **\$15 MILLION** in the first quarter of 2018, and says it has more than **\$25 MILLION** on hand. For comparison, in 2016, CLF raised **\$1.3 MILLION** in Q1 and had **\$1.9 MILLION** on hand.

WISCONSIN WARNING ... MILWAUKEE JOURNAL SENTINEL: "Rebecca Dallet beats Michael Screnock in race for Wisconsin Supreme Court," by Patrick Marley in Madison: "Rebecca Dallet trounced Michael Screnock on Tuesday for a seat on the state Supreme Court, shrinking the court's conservative majority and giving Democrats a jolt of energy heading into the fall election.

"It marked the first time in 23 years that a liberal candidate who wasn't an incumbent won a seat on the high court." <http://bit.ly/2GWAIR7>

-- **WISCONSIN GOV. SCOTT WALKER (@ScottWalker):** "Tonight's results show we are at risk of a #BlueWave in WI. The Far Left is driven by anger & hatred -- we must counter it with optimism & organization. Let's share our positive story with voters & win in November."

Good Wednesday morning. Today is the 50th anniversary of Martin Luther King Jr.'s assassination.

BIG NEWS ... THE INVESTIGATIONS ..."Mueller told Trump's attorneys the president remains under investigation but is not currently a criminal target," by WaPo's Carol Leonnig and Bob Costa: "Special counsel Robert S. Mueller III informed President Trump's

attorneys last month that he is continuing to investigate the president but does not consider him a criminal target at this point, according to three people familiar with the discussions.

"In private negotiations in early March about a possible presidential interview, Mueller described Trump as a subject of his investigation into Russia's interference in the 2016 election. Prosecutors view someone as a subject when that person has engaged in conduct that is under investigation but there is not sufficient evidence to bring charges. The special counsel also told Trump's lawyers that he is preparing a report about the president's actions while in office and potential obstruction of justice, according to two people with knowledge of the conversations.

"Mueller reiterated the need to interview Trump -- both to understand whether he had any corrupt intent to thwart the Russia investigation and to complete this portion of his probe, the people said." <https://wapo.st/2GPoTfg>

-- DOJ ARRIVAL LOUNGE: "Rosenstein gets new top deputy for Russia probe," by CNN's Laura Jarrett: "Deputy Attorney General Rod Rosenstein has picked a veteran prosecutor to help him oversee the Russia probe at the Justice Department as the Special Counsel's investigation deepens. Ed O'Callaghan will serve as the acting Principal Associate Deputy Attorney General, according to a Justice Department official. The powerful post, commonly known as the 'Padag' within the department, advises the Deputy Attorney General on all major investigations and policy matters, but generally floats under the radar." <https://cnn.it/2q3ldgk>

******* A message from Postmates: How do brick & mortar retailers compete in the era of Amazon and e-Commerce?** Last year, on-demand delivery technologies fueled a 4X boost in sales for local businesses. By connecting merchants with new customers across 250+ U.S. cities, Postmates powered the sale of over \$1B in commerce, despite global retail headwinds. <https://postmates.com/impact> *****

H.R. McMASTER, on his way out the door ... via CNN: "In his last public remarks as national security adviser, Lt. Gen. HR McMaster offered harsh words for Russia Tuesday during a speech at the Atlantic Council in Washington, D.C.

"We have failed to impose sufficient costs' on Russia, McMaster said at the event, which also included a Q&A with the Presidents of Estonia and Latvia, as well as the Foreign Minister of Lithuania. He added that the failure to impose adequate costs on Russia's activities meant that 'the Kremlin's confidence is growing.'" <https://cnn.it/2Ir6L8z>

NYT's JULIE HIRSCHFELD DAVIS: "Trump Plans to Send National Guard to the

Mexican Border": "The White House said Tuesday night that President Trump planned to deploy the National Guard to the southern border to confront what it called a growing threat of illegal immigrants, drugs and crime from Central America after the president for the third consecutive day warned about the looming dangers of unchecked immigration.

"Mr. Trump's advisers said Monday that he was readying new legislation to block migrants and asylum seekers, including young unaccompanied children, from entering the United States, opening a new front in the immigration crackdown that he has pressed since taking office. But in remarks on Tuesday that caught some of his top advisers by surprise, he suggested the more drastic approach of sending in the military to do what immigration authorities could not." <https://nyti.ms/2uO1GVQ>

-- **TRUMP** has been worked up about the Mexican border for years despite government statistics that show there has been no appreciable increase in the number of illegal immigrants entering the country on the southern border.

MEANWHILE ON SYRIA -- SPLIT SCREEN -- CNN PRODUCER LAURA KORAN

(@LauraKoran): "'In terms of our campaign in Syria, we are in Syria to fight ISIS,' says @brett_mcgurk. 'That is our mission, and our mission isn't over, and we're going to complete that mission.'" ... "Three and a half minutes later, a few blocks away, @realDonaldTrump says: 'It's time. We were very successful against ISIS, we will be successful against anybody militarily. But sometimes it is time to come back home. And we are thinking about that very seriously.'"

THE BIG PICTURE -- "Trump's chaotic Cabinet shuffle tries GOP patience," by Burgess Everett and Eliana Johnson: "President Donald Trump may be relishing the chance to shake up his administration. But the Senate is threatening to upend his plans. After using Twitter to abruptly oust his secretaries of state and veterans affairs and promote his CIA chief, the president is counting on the Senate GOP's slim majority to confirm three new Cabinet members in the coming months -- and potentially more, should his EPA administrator succumb to a torrent of withering headlines. Republicans aren't pleased.

"'It's unusual. But it's the president's prerogative,' Sen. Mike Rounds (R-S.D.) said of the cascading nominations. 'I think a lot of us would appreciate the stability of being able to continue to work with individuals [in the Cabinet] who have been here awhile.' The White House expects a series of tough confirmation battles, according to senators, aides and White House officials who are tracking the nominations of Mike Pompeo to be secretary of state, Gina Haspel to be CIA director and Ronny Jackson to be VA secretary.

"Marc Short, Trump's congressional liaison, is spearheading the White House's efforts on Capitol Hill and has begun mobilizing support for the president's appointments. His office is working closely with conservative activists to drum up enthusiasm and is preparing to pressure red-state Democrats to stand with Trump." <https://politi.co/2JeiBnL>

JOHN BRESNAHAN and BURGESS EVERETT: "Trump, McCarthy look to cut billions from budget deal they just passed: Republican leaders are eager to tamp down a backlash from conservatives": "Facing pressure from conservatives for their budget-busting moves, President Donald Trump and congressional Republicans are considering forcing votes that would cut billions of dollars in spending from the bipartisan funding deal they just passed last month, according to sources familiar with the plan.

"White House officials are working closely with House Majority Leader Kevin McCarthy (R-Calif.) on the rescission package, said the sources. It's not clear which programs could be targeted or when the House would vote, although the White House had targeted dozens of programs in Trump's 2019 budget proposal. The White House also proposed nearly \$15 billion in budget cuts as part of last year's hurricane relief package, which were never acted upon.

"Under the 1974 Budget Act, a rescission resolution could pass the Senate on a simple majority vote. The political split in the Senate is 50-49 until Republican Cindy Hyde-Smith is sworn in to replace former Sen. Thad Cochran (R-Miss.). But some Senate Republicans could balk at such cuts after they recently supported the omnibus spending bill."

<https://politi.co/2q8tCPo>

-- ADDING TO BRES AND BURGESS: Take note that Kevin McCarthy is working with Trump on this budget-cutting package, and make sure you keep that in mind when thinking about the next Republican leader. Yes, McCarthy is the majority leader, so this is well within his purview. But a rescissions package is something conservatives would love, and that could benefit McCarthy.

BUT, BUT, BUT ... This would face hurdles. It will originate in the House. And many Republicans will likely be hesitant to undo a budget deal they just cut. For every cut, there's a constituency. If they slash social programs, some moderates will be peeved -- this seems like a non-starter, particularly in the middle of an election year. If they cut transportation funding, northeasterners could balk. You get the message ... this will be tough.

ATTN. BEZOS: "What could Trump do to Amazon?: The president has limited tools to go after Jeff Bezos' online giant, but some of them could hurt," by Steven Overly and Nancy Scola: "Here's a look at the threats the company may face if Trump follows up his words with

action: **Postal rates ... Cloud computing:** One place where Trump might have an immediate impact is with cloud computing - one of Amazon's key lines of business, with much of the federal government already relying on its services.

"And its share of the federal pie is set to get bigger. The Defense Department is preparing to award a 10-year, multibillion-dollar cloud computing contract called the Joint Enterprise Defense Infrastructure, or JEDI, and critics in the world of federal IT complain it's been tailor-made for one company: Amazon. If Trump succeeds in diverting the Pentagon from working with Amazon, it would run counter to the efforts of his son-in-law and adviser, Jared Kushner. Kushner's White House Office of American Innovation has been pushing federal agencies to move to private cloud services like those offered by Amazon.

"Antitrust: Trump has accused Amazon of having an unfair advantage over brick-and-mortar retailers, tweeting it's 'not a level playing field!' That kind of talk appears to raise antitrust concerns and fits with broader complaints that some have raised about the company's market power. ... **State-level scrutiny:** Amazon could also be threatened on another front: Trump-loving red states. A Vanity Fair report this week suggested the White House could encourage Republican state attorneys general to go after Amazon - though the details were murky." <https://politi.co/2q3mYdh>

PRUITT FILES -- "How EPA's Scott Pruitt avoided tough questions on Tuesday," by CNN's Clare Foran: "As questions swirled over whether or not he can hold onto his administration post, embattled [EPA] Administrator Scott Pruitt appeared calm on Tuesday as he touted the agency's decision to revise greenhouse gas emissions standards for automobiles. But most reporters who cover the agency weren't in the room, and cameras were nearly non-existent. EPA had previously planned to hold Pruitt's appearance Tuesday at a Chevrolet dealer in Chantilly, Virginia, just outside of Washington, Geoffrey Pohanka with Pohanka Chevrolet told CNN. But the event was canceled, Pohanka said.

"The New York Times reported that there was pushback from some Chevy dealers who didn't want to see the brand tied to the Trump administration's announcement. The event was subsequently moved to EPA headquarters, but with limited press access. A CNN journalist in the building was not allowed into the room for the event. EPA had attempted to allow television camera access to Fox News without informing the other four networks: CNN, ABC, NBC and CBS. Fox alerted the networks and a pool was established allowing networks equal access to the event." <https://cnn.it/2GQErPY>

-- **"Whitehouse questions motivations behind Pruitt Morocco trip,"** by Emily Holden: "Sen. Sheldon Whitehouse (D-R.I) is seeking more information on EPA Administrator Scott Pruitt's trip to Morocco in December where he touted natural gas, alleging that Pruitt had

only one briefing ahead of time from political appointees and did not hear from career experts on international issues within the agency. Citing calendars EPA shared with the Environment and Public Works Committee, Whitehouse asked whether the trip was meant to reward Pruitt's political allies given that promoting natural gas exports is not typically part of an EPA administrator's job description." **For Pros** <https://politico.pro/2q5Ff9j>

INSIDE LOOK AT HOW WASHINGTON WORKS -- "How John Bolton's super PAC helped him get ahead in Trump's Washington," by Maggie Severns and Marianne LeVine: "The John Bolton Super PAC ran ads, doled out campaign contributions and endorsed candidates for five years, all in the name of helping elect defense hawks to office. But perhaps its greatest purpose was reflected in its name: It served as a hype machine for Bolton, boosting his image and political views.

"Bolton raised more than \$9 million during the 2016 elections and spent \$2.6 million on television and other paid media that sometimes promoted the former U.S. ambassador to the United Nations' brand as much as - if not more than - the candidates themselves. In one advertisement that aired in Nevada, Bolton issued stern warnings about President Barack Obama's Iran deal and the threat from Islamic State militants. He mentioned the candidate he was promoting, Republican Joe Heck, 27 seconds into the 30-second ad. ...

"Plenty of politicians have used super PACs to keep their names in the news until they launch a bid for elected office, but it's an unusual approach for a Washington bureaucrat - and a surprising background for a White House national security adviser. But Bolton's political operation shows his skill at courting public attention, a key to career success in President Donald Trump's Washington." <https://politi.co/2JgDKxO>

DETAILS EMERGING ON THE YOUTUBE SHOOTER -- "YouTube shooter told family members she 'hated' the company," by AP's Michael Balsamo and Ryan Nakashima in San Bruno, California: "A woman who believed she was being suppressed by YouTube and told her family members she 'hated' the company opened fire at YouTube's headquarters in California, wounding three people before taking her own life, police said.

"Investigators do not believe Nasim Aghdam specifically targeted the three victims when she pulled out a handgun and fired off several rounds in a courtyard at the company's headquarters south of San Francisco on Tuesday, police said. But a law enforcement official with knowledge of the investigation told The Associated Press that Aghdam had a longstanding dispute with the company. The official, who spoke on condition of anonymity because they were not authorized to discuss the case, said Aghdam used the name 'Nasime Sabz' online." <https://bit.ly/2uQvNfk>

-- NEW POLITICO/MORNING CONSULT POLL: "Support still high for stricter gun control laws," by Steven Shepard: "Support for stricter gun control laws remains high seven weeks after the mass shooting at a high school in South Florida, according to a new POLITICO/Morning Consult poll. The poll shows roughly two-thirds of voters, 66 percent, support stricter gun control laws in the U.S., while only 28 percent oppose strengthening the nation's gun laws. The remaining 6 percent of voters have no opinion.

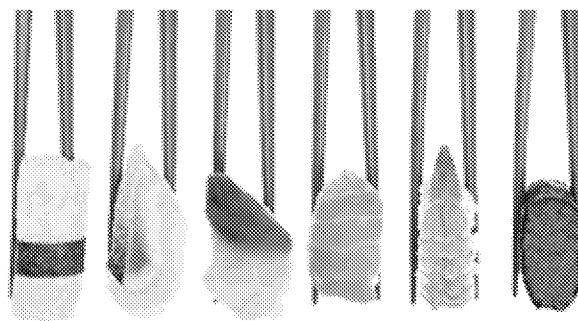
"Overall, support for stricter gun laws is greater than in 2016 and 2017 - including in the days immediately following the mass murder of 57 concertgoers in Las Vegas last October. But it is down slightly from a spike of 70 percent last month right after the shooting in Parkland, Florida. The latest POLITICO/Morning Consult survey was conducted March 29-April 1 - following the nationwide March for Our Lives rallies, but before the most recent shooting, on Tuesday at YouTube's offices in San Bruno, California."

<https://politi.co/2Is6GS2>

2018 WATCH -- "Uncertainty about McCain's future fuels GOP questions about Senate seat," by WaPo's Sean Sullivan: "As the Arizona Republican battles brain cancer, party leaders are contemplating the unusual prospect of defending two Senate seats in the state this year - something they are already doing in Mississippi as they seek to improve on their 51-49 advantage in the midterm elections.

"McCain's health has been shrouded in secrecy, leading many Republicans to privately wonder if he will remain in office beyond May 30. If he doesn't, there would probably be a special election for his seat in the fall. Congress will return Monday from a two-week recess with no clear indication that McCain, 81, will be back. He has been absent since December, and his spokeswoman Julie Tarallo declined to comment on his condition or whether he plans to return." <https://wapo.st/2H7g7H5>

IN CASE YOU MISSED IT! -- PLAYBOOK POOL WINNERS ... CHRIS LINSMAYER of Denver is the winner of the Playbook Pool -- he'll get an Apple Watch. **NO. 2:** Kate Fanning of Chicago wins a Google Home and Apple Air Pods. **NO. 3:** Jane Wright of Arlington, Texas, wins a GoPro Hero and Snap Spectacles. **NO. 4:** Daniel Kalai of Philadelphia wins an Amazon Fire TV stick and a Tile Sport. **NO 5:** Jessica Taylor of Arlington, Virginia, wins an Amazon Fire TV stick. **VIPs** didn't finish in the top five, but a few came close. Thanks to the more than 4,000 participants.



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PLAYBOOK READS



PHOTO DU JOUR: Martin Luther King III hugs his sister, the Rev. Bernice King, after she spoke at the Mason Temple of the Church of God in Christ in Memphis, Tenn. on April 3. The church is where their father, the Rev. Martin Luther King Jr., delivered his final speech on April 3, 1968, the night before he was assassinated. | Mark Humphrey/AP Photo

NEW FROM NORTH CAROLINA ... BUSH ALUM WEIGHS IN ON TRUMP -- MARGARET SPELLINGS talked with **ANNA** in the latest **WOMEN RULE** episode about her tenure as president of the University of North Carolina, her time as education secretary under George W. Bush, how she still believes in the "No Child Left Behind Act" and Betsy DeVos. ***Listen to the full interview*** <https://bit.ly/2uKQRnx>

-- TOP TAKEAWAYS via **REENA FLORES ... ON THE CURRENT ENVIRONMENT IN WASHINGTON:** "'It's hard. It's really hard ... It speaks to -- you have to have a leader who reaches his or her hand across the aisle, and makes that the expectation.' Asked if she believed Trump was making that effort, Spellings, now the president of the University of North Carolina school system, responded: 'Well, I would just say that I think my boss-I think

his predecessors maybe showed some good examples of how you could do that.' 'It must be an extremely stressful environment to try to work in,' she added."

-- **ON BETSY DEVOS:** "I admire her and anybody in public life ... because we get the government we deserve.' ... These are hard jobs ... I do think those of us who've spent some time in the public sector, and in making government work over many decades, probably have an easier time adapting to life in Washington, working with legislative bodies and so forth."

JUST POSTED - FAST COMPANY's new cover story -- "Did We Create This Monster?" How Twitter Turned Toxic," by Austin Carr and Harry McCracken: "For years, the company's zeal for free speech blinded it to safety concerns. Now it's scrambling to make up for lost time": "[I]ssues that have long bedeviled Twitter [include] abuse, the weaponizing of anonymity, bot wars, and slow-motion decision making by the people running a real-time platform. These problems have only intensified since Donald Trump became president and chose Twitter as his primary mouthpiece.

"**The platform is now the world's principal venue** for politics and outrage, culture and conversation-the home for both #MAGA and #MeToo. This status has helped improve the company's fortunes. Daily usage is up a healthy 12% year over year, and Twitter reported its first-ever quarterly profit in February, capping a 12-month period during which its stock doubled." <http://bit.ly/2GzKFQS> ... **The cover** <https://politi.co/2JeiYyF>

FACEBOOK WATCH -- "Trump's Campaign Said It Was Better at Facebook. Facebook Agrees," by Bloomberg's Sarah Frier: "Donald Trump's presidential campaign has boasted often that it made better use of Facebook Inc.'s advertising tools than Hillary Clinton's campaign did. An internal Facebook white paper, published days after the election, shows the company's data scientists agree. 'Both campaigns spent heavily on Facebook between June and November of 2016,' the author of the internal paper writes, citing revenue of \$44 million for Trump and \$28 million for Clinton in that period. 'But Trump's FB campaigns were more complex than Clinton's and better leveraged Facebook's ability to optimize for outcomes.'

"**The paper, obtained by Bloomberg** and discussed here for the first time, describes in granular detail the difference between Trump's campaign, which was focused on finding new donors, and Clinton's campaign, which concentrated on ensuring Clinton had broad appeal. The data scientist says 84 percent of Trump's budget asked people on Facebook to take an action, like donating, compared with 56 percent of Clinton's." <https://bloom.bg/2EiJumR>

***** **A message from Postmates: How do brick & mortar retailers compete in the era of Amazon and e-Commerce?** Some companies build wholesale warehouses in your cities. We treat the whole city as the warehouse, and give local merchants the tools they need to

distribute their goods. In 2017, on-demand delivery technologies fueled a 4X increase in sales for local retailers, despite the sector facing headwinds globally. By connecting merchants with new customers across new geographies in 250+ US cities, Postmates is transforming 21st century commerce, empowering retailers to sell over \$1B in goods annually; and helped generate over \$6.6B in follow-on economic activity across the nation in 2017.

<https://postmates.com/impact> *****

WHAT K STREET IS READING -- "WPP Is Looking at CEO Martin Sorrell's Possible Misuse of Assets and Allegations of Improper Behavior," by WSJ's Suzanne Vranica and Nick Kostov: "The board of advertising giant WPP is looking into whether longtime Chief Executive Martin Sorrell misused company assets, according to people familiar with the matter. In addition, the board is also looking into allegations of improper personal behavior by Mr. Sorrell, one of the people said.

"A WPP spokesman on Tuesday confirmed in a statement that it has appointed an independent counsel to probe 'an allegation of personal misconduct' against Mr. Sorrell. He said the amounts involved weren't material to the company.

"In an internal memo to top WPP executives, the company said it isn't in a position to share further details about the ongoing probe. "The message for our people and clients is one of business as usual within our operating companies and client teams. Our work for clients is unaffected and continues uninterrupted,' the memo said." <https://on.wsj.com/2Iqy8j4>

HAPPENING TODAY! -- POLITICO's Chief Economic Correspondent, Ben White moderates a POLITICO Money live podcast taping featuring Colorado governor John Hickenlooper. They'll discuss pressing economic and financial policies, inequality and inclusion, and the news of the day. If you're in NYC, join us at Morgan Stanley's Global Headquarters (1585 Broadway), doors open at 3:20pm. **RSVP here** <https://bit.ly/2J7ycWr>

MEDIAWATCH -- "Trump 's*hole' coverage prompted more than 160 indecency complaints,"** by John Hendel: "At least 162 people filed indecency complaints with the Federal Communications Commission about news coverage of President Donald Trump's reported remarks denouncing immigrants from 's***hole countries,' according to documents obtained by POLITICO. ... Either way, the resulting news stories ruffled the sensibilities of dozens of television viewers after several networks and news programs opted not to censor the word, according to the documents, which the FCC provided under the Freedom of Information Act.

"Many of the viewer complaints over the controversy implored the FCC to take action against one of Trump's favorite targets: CNN, which as a cable network does not fall under

the FCC's indecency rules. Only the agency's power to keep obscenity - that is, hardcore pornography - off the air applies to cable and satellite stations." <https://politi.co/2GS2wpI>

-- **"Journalism Is Not About Creating Safe Spaces': Inside the Woke Civil War at the New York Times,"** by Vanity Fair's Joe Pompeo: "At many newsrooms and media offices, and in the culture at large, this is a moment of generational conflict not seen since the 1960s. 'I've been feeling a lot lately like the newsroom is split into roughly the old-guard category, and the young and 'woke' category, and it's easy to feel that the former group doesn't take into account how much the future of the paper is predicated on the talent contained in the latter one,' a Times employee in that latter group told me ... 'I know a lot of others at the paper with similar positions to mine, especially women and people of color, who feel that senior staff isn't receptive to their concerns.'" <http://bit.ly/2q4ncQU>

PLAYBOOKERS

SPOTTED at Casa Luca last night in part for "'Best of America' (bipartisan) who attends the La Pietra Diaries in Florence, Italy. But also an impromptu 41st birthday for Jonathan Martin," per a tipster: Kevin and Jacklyn Madden, Joel and Lisa Benenson, Nick Schmidt, Steve McMahon, Kiki McLean, Ellen Toscano, Betsy Fischer Martin and Jonathan Martin, John Anzalone, Todd Harris and Ieva Augstums - **pics** <http://bit.ly/2GznSbR> ... <http://bit.ly/2JgSXyK>

TRANSITIONS -- Omri Ceren will be the new national security adviser for Sen. Ted Cruz (R-Texas). He previously was managing director of The Israel Project.

WHITE HOUSE DEPARTURE LOUNGE - per Lauren Gardner: "DJ Gribbin, President Donald Trump's infrastructure adviser, is leaving the White House for 'new opportunities,' a White House official confirmed [Tuesday]. It's unclear when his last day will be, as well as where he'll be working next."

WELCOME TO THE WORLD -- Adam Snider, director of public affairs for the American Association of Airport Executives and a former Politico transportation reporter, and **Emma Dumain,** a congressional reporter with McClatchy, post on Facebook: "Flora Dumain Snider surprised us a day early on April 1, at 6 lbs, 12 oz and 20 inches. We're exhausted but in love." **Pics** <http://bit.ly/2H5JVUx> ... <http://bit.ly/2GtLVZI>

BIRTHDAY OF THE DAY: Rob Stutzman, founder and president of Stutzman Public Affairs. **How he thinks the Trump presidency is going:** "Trump's presidency is yielding the best of what GOP governance can produce when it comes to tax cuts and regulatory relief

fueling an economy, but the chaos and his neuroses are unsustainable in the presidency. Can't see it ending well. The 'Moscow Mueller' might soon be D.C.'s new favorite cocktail." **Read his Playbook Plus Q&A:** <https://politi.co/2q5M3DH>

BIRTHDAYS: author Kitty Kelley is 76 ... former Sen. Richard Lugar (R-Ind.) is 86 ... Molly Edwards of Speaker Ryan's press shop and the pride of North Carolina. "She spent the week with the speaker in Texas at tax reform and workforce development events." (hat tip: Ryan press team) ... Jo Becker, Pulitzer Prize-winning NYT investigative reporter ... Senegal turns 58 on its Independence Day ... Bruce Wolpe, a Henry Waxman alum and chief of staff to former Prime Minister Julia Gillard of Australia, is 67 ... KJ Heal ... NextGov cybersecurity reporter Joe Marks ... Kristin Bannerman ... Hillary Beightel, who works in public affairs and corporate comms. at Dell ... Judith Czelusniak ... Dena Levitz ... Michael Halle ... Ret. Admiral Bobby Ray Inman, former NSA Director and LBJ School prof, is 87 ... Ryan Davis is 36 ... Caroline Campbell ... Charles Halloran, celebrating with Chris (h/t Jon Haber) ... Robert Duncan is 41 ...

... **Warren Ryan**, policy adviser at Treasury ... Jake Olson, chief of staff for Rep. David Young (h/t Lisa Lyttle) ... Jeffrey O. Ekoma of the American Association of Colleges of Pharmacy ... Rep. Norma Torres (D-Calif.) is 53 ... Meghan Thurlow, director at GE ... former Sen. Mo Cowan (D-Mass.) is 49 ... National Media's Melissa Sharp, an NRSC alum (hubby tip: Josh) ... Politico's Alexandra Farrand ... Lindsay Gruskay ... Teddy Himler, principal at Comcast Ventures ... Bridget Spurlock ... Daisy Melamed Sanders ... Neil Giacobbi, associate VP of public affairs at AT&T ... Joy Wang, editor at NBC News and a WNYC alum ... Darienne Page, gov't relations at Lyft ... Dan Hauser ... Tyler Beckley ... Ryan Davis ... Alex Paulitz ... Jerry Irvine ... David Fawcett ... Michael Forbes Wilcox ... Francis Kidd ... Joe Ricca ... Alfred Stanley ... Katrice Banks ... Laura Dresser ... Nile Ritchie.

***** **A message from Postmates: How do brick & mortar retailers compete in the era of Amazon and e-Commerce ?** Some companies build wholesale warehouses in your cities. We treat the whole city as the warehouse, and give local merchants the tools they need to distribute their goods. In 2017, on-demand delivery technologies fueled a 4X increase in sales for local retailers, despite the sector facing headwinds globally. By connecting merchants with new customers across new geographies in 250+ US cities, Postmates is transforming 21st century commerce, empowering retailers to sell over \$1B in goods annually; and helped generate over \$6.6B in follow-on economic activity across the nation in 2017. <https://postmates.com/impact> *****

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